

Cost Segregation Consulting

Client:	Client, LLC	Total Cost:	\$23,600,000
Project Name:	Garden Style Apartment Complex		

Benefit Projection

	Conservative		Optimistic		RESULTS
Year 1 Benefit:	\$2,502,463	-	\$3,429,301	-	\$3,103,442
Years 1-6 Benefit:	\$2,122,480	-	\$2,908,583	-	\$2,632,204
Life of Property Benefit:	\$1,391,515	-	\$1,906,891	-	\$1,725,695


Proposed Fee

Consulting Fee*:	\$8,500
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* - Consulting fee can be deducted. The fee net of taxes would be \$5100

* - Value-to-Fee Ratio is 224:1 to 203:1

Contact Information

Name:	PTE, Inc	
Phone:	949-200-7109	
Email:	david@ptenterprize.com	

Assumptions

Tax Rate (federal + state combined):	40%	Total Cost:	\$23,600,000
Present Value Discount Factor:	7%		
Tax Year:	2019		



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

Client, LLC - Garden Style Apartment Complex - Conservative

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	19%	4,484,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	8%	1,888,000	0%	0
27.5 Year Property	73%	17,228,000	100%	23,600,000
Total		\$23,600,000	Total	\$23,600,000

Tax Basis \$23,600,000
 Tax Rate 40%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	27.5 Year Life
\$2,502,463	\$2,122,480	\$1,391,515

Year	5 Year	7 Year	15 Year	27.5 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2019	4,484,000		1,888,000	313,205	6,685,205	429,048	6,256,157	2,502,463	2,502,463
2020				626,410	626,410	858,096	(231,686)	(92,674)	(86,612)
2021				626,410	626,410	858,096	(231,686)	(92,674)	(80,945)
2022				626,410	626,410	858,096	(231,686)	(92,674)	(75,650)
2023				626,410	626,410	858,096	(231,686)	(92,674)	(70,701)
2024				626,410	626,410	858,096	(231,686)	(92,674)	(66,076)
2025				626,410	626,410	858,096	(231,686)	(92,674)	(61,753)
2026				626,410	626,410	858,096	(231,686)	(92,674)	(57,713)
2027				626,582	626,582	858,332	(231,750)	(92,700)	(53,952)
2028				626,410	626,410	858,096	(231,686)	(92,674)	(50,409)
2029				626,582	626,582	858,332	(231,750)	(92,700)	(47,124)
2030				626,410	626,410	858,096	(231,686)	(92,674)	(44,029)
2031				626,582	626,582	858,332	(231,750)	(92,700)	(41,160)
2032				626,410	626,410	858,096	(231,686)	(92,674)	(38,457)
2033				626,582	626,582	858,332	(231,750)	(92,700)	(35,951)
2034				626,410	626,410	858,096	(231,686)	(92,674)	(33,589)
2035				626,582	626,582	858,332	(231,750)	(92,700)	(31,401)
2036				626,410	626,410	858,096	(231,686)	(92,674)	(29,338)
2037				626,582	626,582	858,332	(231,750)	(92,700)	(27,427)
2038				626,410	626,410	858,096	(231,686)	(92,674)	(25,625)
2039				626,582	626,582	858,332	(231,750)	(92,700)	(23,955)
2040				626,410	626,410	858,096	(231,686)	(92,674)	(22,382)
2041				626,582	626,582	858,332	(231,750)	(92,700)	(20,924)
2042				626,410	626,410	858,096	(231,686)	(92,674)	(19,549)
2043				626,582	626,582	858,332	(231,750)	(92,700)	(18,275)
2044				626,410	626,410	858,096	(231,686)	(92,674)	(17,075)
2045				626,582	626,582	858,332	(231,750)	(92,700)	(15,962)
2046				626,410	626,410	858,096	(231,686)	(92,674)	(14,914)
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Total	4,484,000	0	1,888,000	17,228,000	23,600,000	23,600,000	0	0	1,391,515



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

Client, LLC - Garden Style Apartment Complex - Optimistic

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	24%	5,664,000	0%	0
7 Year Property	0%	0	0%	0
15 Year Property	13%	3,068,000	0%	0
27.5 Year Property	63%	14,868,000	100%	23,600,000
Total		\$23,600,000	Total	\$23,600,000

Tax Basis \$23,600,000
 Tax Rate 40%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	27.5 Year Life
\$3,429,301	\$2,908,583	\$1,906,891

Year	5 Year	7 Year	15 Year	27.5 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2019	5,664,000		3,068,000	270,300	9,002,300	429,048	8,573,252	3,429,301	3,429,301
2020				540,600	540,600	858,096	(317,496)	(126,998)	(118,690)
2021				540,600	540,600	858,096	(317,496)	(126,998)	(110,925)
2022				540,600	540,600	858,096	(317,496)	(126,998)	(103,668)
2023				540,600	540,600	858,096	(317,496)	(126,998)	(96,886)
2024				540,600	540,600	858,096	(317,496)	(126,998)	(90,548)
2025				540,600	540,600	858,096	(317,496)	(126,998)	(84,624)
2026				540,600	540,600	858,096	(317,496)	(126,998)	(79,088)
2027				540,749	540,749	858,332	(317,583)	(127,033)	(73,934)
2028				540,600	540,600	858,096	(317,496)	(126,998)	(69,079)
2029				540,749	540,749	858,332	(317,583)	(127,033)	(64,577)
2030				540,600	540,600	858,096	(317,496)	(126,998)	(60,336)
2031				540,749	540,749	858,332	(317,583)	(127,033)	(56,404)
2032				540,600	540,600	858,096	(317,496)	(126,998)	(52,700)
2033				540,749	540,749	858,332	(317,583)	(127,033)	(49,266)
2034				540,600	540,600	858,096	(317,496)	(126,998)	(46,030)
2035				540,749	540,749	858,332	(317,583)	(127,033)	(43,031)
2036				540,600	540,600	858,096	(317,496)	(126,998)	(40,204)
2037				540,749	540,749	858,332	(317,583)	(127,033)	(37,585)
2038				540,600	540,600	858,096	(317,496)	(126,998)	(35,116)
2039				540,749	540,749	858,332	(317,583)	(127,033)	(32,828)
2040				540,600	540,600	858,096	(317,496)	(126,998)	(30,672)
2041				540,749	540,749	858,332	(317,583)	(127,033)	(28,673)
2042				540,600	540,600	858,096	(317,496)	(126,998)	(26,790)
2043				540,749	540,749	858,332	(317,583)	(127,033)	(25,044)
2044				540,600	540,600	858,096	(317,496)	(126,998)	(23,399)
2045				540,749	540,749	858,332	(317,583)	(127,033)	(21,875)
2046				540,600	540,600	858,096	(317,496)	(126,998)	(20,438)
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Total	5,664,000	0	3,068,000	14,868,000	23,600,000	23,600,000	0	(0)	1,906,891



Potential Change in Cash Flow Resulting From a Cost Segregation Study for

Client, LLC - Garden Style Apartment Complex - RESULTS

WITH Cost Segregation Study WITHOUT Cost Segregation Study

Property Class	Percentage Assumed	Depreciable Basis	Percentage Assumed	Depreciable Basis
5 Year Property	25%	5,967,841	0%	0
7 Year Property	0%		0%	0
15 Year Property	8%	1,934,428	0%	0
27.5 Year Property	67%	15,697,731	100%	23,600,000
Total		\$23,600,000	Total	\$23,600,000

Tax Basis \$23,600,000
 Tax Rate 40%
 Present Value Factor 7%

Present Value of Changes in Cash Flow		
Year 1	First 6 Years	27.5 Year Life
\$3,103,442	\$2,632,204	\$1,725,695

Year	5 Year	7 Year	15 Year	27.5 Year	Total Annual Depreciation Expense WITH Study	Total Annual Depreciation Expense W/O Study	Change in Depreciation Expense	After-Tax Change in Cash Flow	Present Value of Changes in Cash Flow
2019	5,967,841		1,934,428	285,385	8,187,654	429,048	7,758,606	3,103,442	3,103,442
2020				570,770	570,770	858,096	(287,326)	(114,931)	(107,412)
2021				570,770	570,770	858,096	(287,326)	(114,931)	(100,385)
2022				570,770	570,770	858,096	(287,326)	(114,931)	(93,818)
2023				570,770	570,770	858,096	(287,326)	(114,931)	(87,680)
2024				570,770	570,770	858,096	(287,326)	(114,931)	(81,944)
2025				570,770	570,770	858,096	(287,326)	(114,931)	(76,583)
2026				570,770	570,770	858,096	(287,326)	(114,931)	(71,573)
2027				570,926	570,926	858,332	(287,406)	(114,962)	(66,909)
2028				570,770	570,770	858,096	(287,326)	(114,931)	(62,515)
2029				570,926	570,926	858,332	(287,406)	(114,962)	(58,441)
2030				570,770	570,770	858,096	(287,326)	(114,931)	(54,603)
2031				570,926	570,926	858,332	(287,406)	(114,962)	(51,045)
2032				570,770	570,770	858,096	(287,326)	(114,931)	(47,692)
2033				570,926	570,926	858,332	(287,406)	(114,962)	(44,584)
2034				570,770	570,770	858,096	(287,326)	(114,931)	(41,656)
2035				570,926	570,926	858,332	(287,406)	(114,962)	(38,942)
2036				570,770	570,770	858,096	(287,326)	(114,931)	(36,384)
2037				570,926	570,926	858,332	(287,406)	(114,962)	(34,013)
2038				570,770	570,770	858,096	(287,326)	(114,931)	(31,779)
2039				570,926	570,926	858,332	(287,406)	(114,962)	(29,708)
2040				570,770	570,770	858,096	(287,326)	(114,931)	(27,757)
2041				570,926	570,926	858,332	(287,406)	(114,962)	(25,948)
2042				570,770	570,770	858,096	(287,326)	(114,931)	(24,244)
2043				570,926	570,926	858,332	(287,406)	(114,962)	(22,664)
2044				570,770	570,770	858,096	(287,326)	(114,931)	(21,176)
2045				570,926	570,926	858,332	(287,406)	(114,962)	(19,796)
2046				570,770	570,770	858,096	(287,326)	(114,931)	(18,496)
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Total	5,967,841	0	1,934,428	15,697,731	23,600,000	23,600,000	(0)	0	1,725,695